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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/642,894	08/18/2003	Jay S. Walker	99-029-C1	3361

22927 7590 07/19/2006

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STAMFORD, CT 06905

EXAMINER

CHAMPAGNE, DONALD

ART UNIT	PAPER NUMBER
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3622

DATE MAILED: 07/19/2006

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

10/642,894

Applicant(s)

WALKER ET AL.

Examiner

Donald L. Champagne

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --
Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 24 April 2006.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 77-90 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 77-90 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☒ The drawing(s) filed on 18 August 2003 is/are: a) ☒ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
- 11) ☐ The proposed drawing correction filed on _____ is: a) ☐ approved b) ☐ disapproved by the Examiner.
If approved, corrected drawings are required in reply to this Office action.
- 12) ☐ The oath or declaration is objected to by the Examiner.

Priority under 35 U.S.C. §§ 119 and 120

- 13) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. _____.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
* See the attached detailed Office action for a list of the certified copies not received.
- 14) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. § 119(e) (to a provisional application).
a) ☐ The translation of the foreign language provisional application has been received.
- 15) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. §§ 120 and/or 121.

Attachment(s)

- 1) ☐ Notice of References Cited (PTO-892) 4) ☐ Interview Summary (PTO-413) Paper No(s). _____
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948) 5) ☐ Notice of Informal Patent Application (PTO-152)
- 3) ☐ Information Disclosure Statement(s) (PTO-1449) Paper No(s) _____ 6) ☐ Other: _____

DETAILED ACTION

Prosecution Reopened

1. A new non-final rejection follows. It differs materially from the non-final rejection mailed on 10 January 2006 in that the explanation of the rejection of claims 78 and 82 has been expanded (para. 6 below), and a new basis or rejection is used for claims 89 and 90 (para. 11 below).

Claim Rejections - 35 USC § 102 and 35 USC § 103

2. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of application for patent in the United States.

3. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

4. Claims 77, 78, 81 and 82 are rejected under 35 U.S.C. 102(b) as being anticipated by Ring.
5. Ring teaches (independent claims 77 and 81) a method for identifying potential buyers of real estate, comprising the steps of: receiving intent data from a potential buyer in the form of a proposed real estate contract of sale (pp. 71-73); determining the price of said real estate, which reads on a reward for the potential buyer based on the intent data, in which the reward/price comprises money for the potential buyer¹; receiving a payment identifier of a financial account in the form of a check for the amount of the deposit on contract/earnest money (pp. 76-77); issuing the reward to the buyer by transferring title to the property for the

¹ There is a reward if the seller agrees to accept a price lower than the seller's listing price (p. 317). The difference between listing and contract prices is a discount that reads explicitly on money for the potential buyer, said discount to be received at closing.

contract price at closing; and applying a penalty to the financial account of the potential buyer, in the form of keeping the potential buyer's deposit on contract/ earnest money, if the buyer does not purchase the real estate item within a particular time period. For claim 81, the confirmation signal is received at closing. For claim 81, Ring also teaches (p. 317) dropping the asking price to increase the *possibility of making a deal*, which reads on a reward offer based on a degree of certainty.

6. Ring also teaches claims 78 and 82. (At p. 76, Ring teaches that the earnest money deposit or penalty is proportional to the contract price. From this, with elementary algebra, the attached appendix shows that the deposit/penalty is a mathematical function of the reward, which reads on "takes into account a value of the reward".)
7. Claims 79, 80 and 83-88 are rejected under 35 U.S.C. 103(a) as obvious over Ring et al.
8. Ring et al. does not teach (claims 79 and 80) a partial penalty for purchase of a similar item. Such a situation occurs when the contract of sale was signed with a builder offering multiple properties, and the buyer wanted to change the property to be purchased. Because it would help the builder retain a satisfied customer, it would have been obvious to one of ordinary skill in the art, at the time of the invention, add a partial penalty for purchase of a similar item to the teachings of Ring et al.
9. Ring et al. does not teach (claims 83-85) a partial penalty for purchase after the particular time period. Since the contract of sale is a negotiated instrument, the seller may readily agree to proceed with a late sale for some additional consideration that would read on a partial penalty. Because it would enable both buyer and seller to conclude the agreement satisfactorily, it would have been obvious to one of ordinary skill in the art, at the time of the invention, to add a partial penalty for purchase after the particular time period to the teachings of Ring et al.
10. Ring does not teach (claims 86-88) recursive negotiation of the contract terms (step (g) in claim 86). The contract of sale (pp. 71-73) has many blanks requiring specification. Because it is the most efficient means to have two parties come to agreement on these many unspecified details, it would have been obvious to one of ordinary skill in the art, at the time of the invention, to add recursive negotiation of the contract terms (step (g) in claim 86) to the teachings of Ring et al.

11. Claims 89 and 90 are rejected under 35 U.S.C. 103(a) as being unpatentable over Abecassis (US005426281A) in view of Ring. Abecassis teaches a central server system (*Transaction Protection System*, col. 3 lines 5-6, col. 4 lines 59-61 and Fig. 1A), comprising a processor (*computer(s)* at *deposit protection service center 40*, col. 5 lines 65-66 and col. 6 lines 17-18); a storage device coupled to the processor (*memory contained in the computer system of center 40*, col. 9 lines 8-10); and software operative to run on the processor to provide an escrow service: receiving a deposit from a potential a buyer of goods for future delivery, and release said deposit in accordance with the terms of an agreement (col. 3 lines 3-14). Abecassis does not teach issuing a reward to a potential buyer in exchange for demand information and charging a penalty to the financial account of the buyer. Ring teaches issuing a reward to a potential buyer in exchange for demand information and charging a penalty to the financial account of the buyer, when the agreement is a real estate contract of sale (para. 5 above). Because funds are commonly escrowed for real estate sales (Ring, p. 86) and Abecassis teaches an efficient and secure escrow management system (col. 2 lines 58-68), it would have been obvious to one of ordinary skill in the art, at the time of the invention, to combine the teachings of Abecassis and Ring et al.

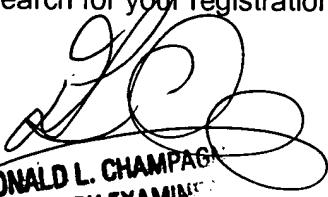
Conclusion

12. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Donald L. Champagne whose telephone number is 571-272-6717. The examiner can normally be reached from 6:30 AM to 5 PM ET, Monday to Thursday. The examiner can also be contacted by e-mail at donald.champagne@uspto.gov, and *informal* fax communications (i.e., communications not to be made of record) may be sent directly to the examiner at 571-273-6717.
13. The examiner's supervisor, Eric Stamber can be reached on 571-272-6724. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.
14. Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information

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about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

15. **ABANDONMENT** – If examiner cannot by telephone verify applicant's intent to continue prosecution, the application is subject to abandonment six months after mailing of the last Office action. The agent, attorney or applicant point of contact is responsible for assuring that the Office has their telephone number. Agents and attorneys may verify their registration information including telephone number at the Office's web site, www.uspto.gov. At the top of the home page, click on Site Index. Then click on Agent & Attorney Roster in the alphabetic list, and search for your registration by your name or number.



DONALD L. CHAMPAGNE
PRIMARY EXAMINER

Donald L. Champagne
Primary Examiner
Art Unit 3622

3 July 2006

Appendix - Proof that the Penalty is Dependent on the Reward

Mathematically, it is to be proven that

$$dep = f(rwd),$$

where

dep: the earnest money deposit, the penalty, and

rwd: the reward.

Ring (p. 76 teaches)

$$dep = k(p_c) \tag{1}$$

where

k: a proportionality constant, typically 0.05-0.10 according to Ring, and

p_c: the contract price.

Now, by definition,

$$rwd = (p_L - p_c) \tag{2}$$

where

p_L: the listing or asking price.

By transposing (2),

$$p_c = p_L - rwd \tag{3}$$

Then substitute (3) for **p_c** in (1) to produce the result

$$dep = k(p_L - rwd)$$

Q.E.D.